The Cantwell Energy Emergency Consumer Protection Act

Even before the devastation caused by Hurricane Katrina, skyrocketing oil and gasoline prices were taxing American families and burdening our nation's economy—with the notable exception of the oil industry which continued to rack up record profits. Following Katrina, gas prices in some areas reached almost $6 per gallon, deepening suspicions of gas pump profiteering. The Cantwell bill would put in place a number of measures to ensure that the President has the tools needed to adequately respond to energy emergencies and prohibit price gouging. Based on measures included in the energy bill, it would also put in place new consumer protections to prevent market manipulation and ensure greater transparency when it comes to oil and gas prices.

Federal Energy Emergency Response: Skyrocketing energy prices following Hurricane Katrina validated the warnings of many national security experts and renowned economists that America's absolute reliance on petroleum products left our nation susceptible to crippling economic shocks after even relatively small supply disruptions. Regardless of whether they are natural disasters or human-caused events--such as terrorist acts or political upheaval in oil-rich nations--the United States has neither a short- nor long-term plan to deal with the ramifications of our oil dependence. In order to begin tackling both these problems, the legislation would:

- Give the President the authority to declare a ***temporary*** national energy emergency, in instances where the President determines that a threatened or existing disruption of oil or petroleum supplies constitutes a danger to the health, safety, or welfare of the United States. This is similar to the emergency authority triggered by a number of Governors in response to Hurricane Katrina.

- Upon declaration of emergency, trigger a prohibition on price gouging, punishable by federal penalties, when an energy emergency has been declared. This provision is modeled after anti-price gouging legislation on the books in about 28 states. It specifically relies on an a standard established in New York state law, related to "unconscionably excessive" prices.

- Requires the President to develop a national response plan to prepare our nation against future domestic or global petroleum supply disruptions.

Fair Prices at the Gas Pump: While Hurricane Katrina exposed the underlying vulnerability of the American economy, even before the storm hit average U.S. gasoline prices were already 75 cents more than they were a year earlier—and many consumers had begun to ask why. In the wake of Enron, the energy bill contained a number of additional measures to ensure American consumers pay a fair price when they flip on their lights. The legislation would apply to the oil industry many of these same protections, including:

- A new statutory ban on manipulative practices in the wholesale petroleum markets;
- New measures to ensure transparent pricing for petroleum products; and
- New civil and criminal penalties for companies that break the rules.

###